



OFFICE OF THE COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

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March 3, 2003

DIRECTIVE NUMBER 172

Re: Unlawful practices in the course of bail bond activity

Please note La.R.S.22:660, which states:

"No power of attorney shall be attached to a bail bond unless the premium as defined by La.R.S.22:627 charged for the bail bond is shown thereon."

Further, La.R.S.22:627(A), with regards to "premium" states:

"The premium quoted by the insurer shall be a specific dollar amount which shall be inclusive of all fees, charges, premiums, or other consideration charged for the insurance or procurement thereof."

Also, please note La.R.S.22:627(C), which states:

"Each policy delivered to the insured shall have the full and accurate dollar amount of the premium disclosed on the policy, which shall be inclusive of all fees, charges, premiums, or other consideration charged for the insurance or for the procurement thereof, except that, in any subsequent modification of the policy, the insurer may require that evidence of insurability be furnished at the insured's expense, and except that the premium tax on a surplus lines policy shall be separately stated, and except for reimbursement of expenses and agency fees as authorized in Paragraph B(2)."

It has come to the attention of the Louisiana Department of Insurance that some persons conducting bail bond business are preparing, or causing to be prepared, powers of attorney and attaching them to a bail bonds without showing the premium on the power of attorney.

This act is a violation of the aforementioned La.R.S.22:660, and if the premium shown does not meet the qualifications of La.R.S.22:627(A), then this is a violation of La.R.S.22:627(A).

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You are hereby directed to immediately bring your practice into compliance with these laws by showing the premium charged on all powers of attorney that are attached to bail bonds and ensure that the premium listed be in compliance with La.R.S.22:627(A). Failure to comply with these laws may result in an administrative hearing for violations of La.R.S.22:627 and/or unfair trade practices (La.R.S.22:1214). Penalties for these violations are listed in La.R.S.22:627(F) and (G) and La.R.S.22:1217. It should be noted that violations of La.R.S.22:627(C) are considered theft and violations of La.R.S.14:67.

A handwritten signature in black ink, consisting of a series of loops and a long, sweeping horizontal stroke extending to the right.

J. Robert Wooley
Acting Commissioner of Insurance